

## INDIANA HO-2 UNDERWRITING GUIDELINES

### I. GENERAL UNDERWRITING FOR ALL RISKS SUBMITTED

1. Coverage is not considered bound:
  - (a) if the application is not completed and signed by applicant and subproducer—all questions must be answered
  - (b) if the application is not mailed to the General Agent within three (3) days of the effective date
  - (c) if two (2) clear photos (one of the front and one of the back) are not submitted with the application
2. HO-2 ELIGIBILITY:
  - a. minimum value—\$40,000
  - b. must be owner occupied
3. The Actual Cash Value endorsement (MHO-75) will be added to the policy if the home is over 50 years old and/or at the underwriter's discretion based on the condition of the dwelling and premises.
4. Any risk that is ineligible for the homeowner program due to a liability exposure may be written in the dwelling program without liability.
5. Maximum exposure for dwelling, personal property and unattached structures—\$175,000.
6. A policy may not be transferred to a new owner. A new application for the new owner must be submitted for approval.
7. Dwelling must show pride of ownership, be well maintained and not have any damage that has not been repaired.
8. The General Agent will obtain a CLUE report and if undisclosed or false information is discovered and the information was material to the Company accepting the risk, coverage will be null and void.
9. The applicant's name must be on the deed and they must live in the home on a full-time, permanent basis. If more than one name is on the deed but the additional owner(s) do not live in the home, they should be listed as additional insureds; not named insureds.

### II. SUBMIT - DO NOT BIND

1. If a hurricane, tornado, or any other natural disaster warning is in effect where the dwelling is located.
2. If there is any supplemental heat source submit with details. If the supplemental heat source is a woodstove—submit unbound with interior photos showing the stove and flue exit and an exterior photo of the chimney, plus a completed Aegis woodstove report.
3. If a swimming pool is on the premises, the pool must be surrounded by a 4' stockade type fence with a locked gate—If acceptable the maximum liability coverage available is \$50,000. A photo of the fenced swimming pool is required. Unfenced swimming pools or swimming pools with a diving board or slide, the risk is acceptable only if the swimming pool endorsement (MHO-168) is signed by the applicant.
4. If an unattached structure value exceeds 50% of the dwelling value—submit with photos (front and back). Barns are unacceptable.
5. If the personal property value exceeds 50% of the dwelling value—submit with an inventory. The maximum personal property limit may not exceed 100% of the dwelling limit (Coverage A).
6. If the applicant has been uninsured for any period of time, submit unbound with an explanation.
7. If the previous carrier is the lienholder or mortgagee.
8. If the applicant's previous policy was cancelled or nonrenewed, provide the reason for and the date of cancellation or nonrenewal.
9. If the dwelling is over thirty (30) years, submit unbound with updates for the roof and electrical. The roof exclusion (MHO-82) will apply if the roof is older than twenty (20) years or has any damage that has not been repaired. Call the General Agent for an exception. Example: slate roof. If the home's electrical service is fuses, the risk is unacceptable.

### III. LIABILITY EXCLUSIONS—MUST BE SIGNED BY THE APPLICANT IF APPLICABLE—DO NOT BIND WITHOUT A SIGNATURE

1. If the applicant owns or boards any German Shepherd, Doberman, Pit Bull, Chow, Akita, Rottweiler, Great Dane, Wolf Hybrid; any mix of these breeds; any pet known to be unfriendly; any dog that has bitten; any guard dog or if the applicant owns or boards horses or livestock *or* any other large or unusual/exotic animal. The applicant must sign the animal injury exclusion statement on the application (Question #4—Submit—Do Not Bind) before coverage is considered bound.
2. If there is a hot tub / spa without a locked cover, the risk must be written with the hot tub / spa exclusion (MHO-169) signed by the applicant.
3. If there is an unfenced pond, the risk must be written with the pond exclusion (MHO-171) signed by the applicant.
4. If there is an unfenced swimming pool or a swimming pool with a diving board or slide, the risk must be written with the swimming pool exclusion (MHO-168) signed by the applicant.

### IV. DO NOT SUBMIT UNDER ANY PROGRAM - UNACCEPTABLE RISK

1. If the dwelling is vacant, unoccupied, rented to others or used as a seasonal / secondary residence.
2. If the dwelling is under construction or major renovation.
3. If the dwelling is under contract to purchase or under a lease / purchase agreement.
4. If the dwelling is in a commercial zone, a converted commercial building, in an area where there are abandoned dwellings, in an area where there are condemned dwellings, a dwelling that has been condemned or a dwelling without utilities hooked up.
5. If the dwelling has more than two (2) mortgagees.
6. If business is conducted on the premises or in the dwelling.

IV. DO NOT SUBMIT UNDER ANY PROGRAM - UNACCEPTABLE RISK (cont'd)

7. If the dwelling is not visible from a paved road and neighboring residences.
8. If the dwelling has damage that has not been repaired.
9. If there are any liability hazards on premises (example: appliances, unregistered vehicle, etc.).
10. If the dwelling and premises is not well maintained and does not show pride of ownership.
11. Any applicant with any fire, theft or liability loss / claim or more than one (1) loss at any location in the past three (3) years. If the risk has had a liability loss at any location, the risk may be written in the dwelling program without liability coverage.
12. If the dwelling has a cedar / wood shake roof.
13. If the dwelling has more than two (2) stories or is more than two (2) families.
14. If the dwelling is a log home.
15. If any entrances, where needed, do not have permanently installed steps with safety railing or if any raised deck or porch is not surrounded by a railing with balusters a maximum of 4" apart. The risk may be written in the dwelling program without liability coverage.
16. If a supplemental heat source is the only means of heating the dwelling.
17. If the dwelling is used for student housing.
18. If the home's electrical service is fuses.
19. Barns are unacceptable unless there is no farm exposure and the applicant signs the Building Exclusion (MHO-92) excluding coverage for the barn and any personal property inside the barn.

V. SCHEDULED PERSONAL PROPERTY

1. A current appraisal and / or a current receipt is required before coverage may be bound.
2. Maximum limit—\$5,000 per item and \$10,000 aggregate.
3. Call the General Agent for an exception.

VI. MINE SUBSIDENCE

Mine subsidence must be offered in the following counties: Clay, Crawford, Daviess, Dubois, Fountain, Gibson, Greene, Knox, Lawrence, Martin, Monroe, Montgomery, Orange, Owen, Parke, Perry, Pike, Posey, Putnam, Spencer, Sullivan, Vanderburgh, Vermillion, Vigo, Warren, and Warrick.

VII. MINIMUM EARNED PREMIUM

If the risk is acceptable and a policy is issued, the policy will be subject to the minimum earned premium shown on the declaration page, if the insured requests mid-term cancellation. The minimum earned premium is not applicable if the policy is cancelled pro rata.

VIII. LATE PAYMENTS

If a policy cancels for non payment of premium or if renewal payment is not received before the expiration date, upon Company approval, the policy will be rewritten the day after postmark. A new application is not necessary on a lapsed policy unless the Company requests one; however, if a new application is submitted on a lapsed policy the effective date will be the day after postmark. **THERE IS NO GRACE PERIOD.**